GOVERNMENT OF INDIA
TOURISM
LOK SABHA

STARRED QUESTION NO:288
ANSWERED ON:10.12.2001
NOTICES TO PRIVATE PUBLIC SECTOR HOTELS
NEDURUMALLI JANARDHANA REDDY;SHYAMA SINGH

Will the Minister of TOURISM be pleased to state:

(a) whether the Government have issued show cause notices to private as well as public sector hotels in the country for not complying with the guidelines of their Star classification;

(b) if so, the details thereof;

(c) whether the hotels which are charging high rates from customers are likely to be declassified; and

(d) if so, the details in this regard?

Answer

MINISTER OF TOURISM AND CULTURE (SHRI JAGMOHAN)

(a),(b),(c) & (d): The Department of Tourism classifies hotels under various Star/Heritage categories for a fixed term. In case the hotel is interested for further extension of the classification period, the hotel is required to apply 3 months before expiry of the classification period as per the guidelines laid down in this respect. As a number of classified hotels in the private as well as public sector did not adhere to the hotel classification guidelines and did not apply for further reclassification, well before and upon the expiry of their classification periods the show cause notices were issued to the hotels asking them as to why the hotels, therefore, may not be declassified. In response to the show cause notices, the hotels have replied and applied for fresh classification by the Department and their applications for classification are under process.

Under the guidelines for classification there is no provision to regulate hotel tariffs/charges and therefore the question of declassification of hotels charging high rates does not arise. After liberalisation in 1990, market forces are relied upon to govern tariff fixation by hotels.